

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BELIZE 00331 272316Z

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 IO-13 EB-07 AID-05 TRSE-00 OMB-01 COME-00

XMB-02 EUR-12 /096 W

-----272326Z 098276 /65

R 252000Z MAY 77

FM AMCONSUL BELIZE

TO SECSTATE WASHDC 5626

INFO AMEOBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE BELIZE 0331

E.O. 11652: N/A

TAGS: PFOR GT PN BY

SUBJECT: RECENT DEVELOPMENTS IN PANAMANIAN/Guatemalan/BELIZEAN  
RELATIONS

REF: GUATEMALA 3227

1. SUBJECT OF GROWING COMMERCIAL LINK BETWEEN PANAMA AND BELIZE, WHICH GUATEMALA PRESIDENT LAUGERUD MENTIONED IN HIS RECENT PUBLIC CRITICISM OF PANAMANIAN PRESIDENT TORRIJOS (PARA 4, REFTEL), IS ONE WHICH BEARS WATCHING. THERE MAY INDEED BE A RELATIONSHIP BETWEEN THE BUSINESS VENTURES PRESIDENT LAUGERUD REFERRED TO AND PANAMA'S SUPPORT FOR BELIZEAN INDEPENDENCE; HOWEVER, WE DO NOT KNOW THE NATURE OF THIS RELATIONSHIP.

2. BALAMA, THE NAME UNDER WHICH PANAMA/BELIZE COLLABORATION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BELIZE 00331 272316Z

IS TAKING PLACE, IS INVOLVED IN THE FOLLOWING JOINT VENTURES HERE:

A. WORKING DIRECTLY WITH THE GOB MINISTRY OF FINANCE, BELAMA IS RECLAIMING SOME 125 ACRES OF SWAMP LAND JUST NORTH OF BELIZE CITY. THIS IS A U. S. 1 MILLION DOLLAR PROJECT, AND PLACS CALL FOR RECLAMATION OF TWO OTHER TRACTS OF 75 AND 100 ACRES, WITH HOUSING TO BE BUILT ON ALL THREE TRACTS IN

ANOTHER YEAR OR SO AFTER THE RECLAIMED LAND HAS BEEN ALLOWED TO SETTLE. MANAGEMENT IS IN THE HANDS OF THE PANAMANIAN MANAGERS OF BELAMA, WHILE ALL PAYMENTS REPORTEDLY ARE MADE BY THE BELIZEAN MINISTRY OF FINANCE, A CURIOUS ARRANGEMENT, BUT ONE WHICH IS APPARENTLY WORKING WELL.

B. IN ASSOCIATION WITH THE RECONSTRUCTION AND DEVELOPMENT CORPORATION (THE GOB ENTITY WHICH BUILT BELMOPAN), BELAMA APPARENTLY HAS CONTRACTS TO BUILD A NUMBER OF HOUSES IN THE LADYVILLE AREA AND IN BELMOPAN. WE UNDERSTAND THAT MANAGEMENT AND FINANCES ARE SIMILAR TO THE LAND RECLAMATION PROJECT AND THAT BOTH ARE 50-50 VENTURES WITH THE GOB.

C. ANOTHER PROPOSED VENTURE IS A BRICK AND TILE FACTORY IN CONJUNCTION WITH THE DEVELOPMENT FINANCE CORPORATION. DFC WOULD INVEST U. S. DOLS -7,500, AND EXTEND A LOAN OF ANOTHER 200,000 DOLS. BELAMA, OR THE INDIVIDUALS BEHIND IT, WOULD PUT UP U. S. DOLS 162,500, ALL OF WHICH IS TO BE AVAILABLE FOR PURCHASE BY BELIZEANS. IN OTHER WORDS, THE PANAMANIAN WOULD SELL OUT OF THIS ONE IF ANYONE WERE INTERESTED.

D. BELAMA OFFICIALS HAVE ALSO INDICATED THEY WILL ALSO HELP ESTABLISH A NEW BELIZE/NEW ORLEANS SHIPPING ROUTE, A SALT REFINERY, AND A LIGHT METAL PRODUCTS INDUSTRY.

3. GENERAL TORRIJOS DID IN FACT TELL PREMIER PRICE THAT HE WOULD OBTAIN THE ADDITIONAL U. S. DOLS 9 MILLION NEEDED FOR THE BELIZE CITY DEEP WATER PORT. HE INDICATED THAT THE FUNDS WOULD BE IN THE FORM OF LOANS FROM BANKING INSTITUTIONS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BELIZE 00331 272316Z

IN PANAMA.

4. WITH REFERENCE TO STATEMENTS ATTRIBUTED TO GENERAL TORRIJOS THAT HE HAD "PERSUADED PRICE THAT A VISIT TO FIDEL CASTRO WOULD BE 'INCONVENIENT' AT THE PRESENT" AND THAT PRICE HAD SAID CONTACT WITH SOCIALIST BLOC WOULD NOT BE NECESSARY IF BELIZE CASE RECEIVED FAVORABLE ATTENTION AT NEXT OAS MEETING. WE HAVE NEVER HAD ANY INDICATION THAT PRICE WAS CONTEMPLATING VISIT TO CUBA OR CONTACT WITH "SOCIALIST BLOC". THERE ARE ELEMENTS AMONG PREMIER PRICE'S ADVISERS WHO FAVOR LEAVING THE DOOR OPEN FOR SOME EVENTUAL CUBA ASSISTANCE, OR PERHAPS MORE PRECISELY WHO THINK IT DESIRABLE TO CAUSE THE U. S. TO WORRY ABOUT THE POSSIBILITY OF THIS HAPPENING. PRICE HAS NEVER APPEARED TO ADOPT THIS TACTIC NOR TO ENCOURAGE IT AMONG HIS SUBORDINATES; HE MAY HAVE ACQUIESCED IN TORRIJOS' STATEMENT BUT I AM INCLINED TO DOUBT IT.

5. MAY 24 EDITION OF MIAMI HERALD QUOTED PRICE AS FORSEEING

PARTICIPATION OF U. S., MEXICO AND PANAMA IN GUARANTEEING  
THE EXISTENCE OF AN INDEPENDENT BELIZE. PRICE HAS EXPRESSED  
THIS HOPE ON A NUMBER OF PREVIOUS OCCASIONS. MOST RECENT  
LIST OF PUTATIVE GUARANTORS (SEE FEB 21 MEMCON NOTAL) IN-  
CLUDED CANADA AS WELL. HENCE, THERE WAS NOTHING NEW IN  
NEWSPAPER ACCOUNT OF HIS STATEMENT.  
GAWF

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLITICAL SITUATION, JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 25-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BELIZE00331  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770190-0942  
**Format:** TEL  
**From:** BELIZE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770521/aaaaarwo.tel  
**Line Count:** 123  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a83ad18a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 GUATEMALA 3227  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 02-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2383342  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RECENT DEVELOPMENTS IN PANAMANIAN/GUATEMALAN/BELIZEAN RELATIONS  
**TAGS:** PFOR, ECON, GT, PN, BH, BALAMA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a83ad18a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009